

EXHIBIT 3

REDACTED

12/5/2024

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

RICHARD KADREY, et al.,)

)

Individual and)

Representative)

Plaintiffs,)

)

v.)

)

META PLATFORMS, INC.,)

)

Defendant.)

)

Case No. 3:23-cv-03417-VC

** CONFIDENTIAL PURSUANT TO PROTECTIVE ORDER **

Videotaped Deposition of meta Platforms, Inc.

by and through its corporate designee

SY CHOUDHURY

San Francisco, California

Thursday, December 5, 2024

Reported Stenographically by

Michael P. Hensley, RDR, CSR No. 14114

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1 A. We've had, I'll say, various notable data
2 points within that. One of the -- one of the
3 earlier data points was when we worked for REI
4 research team for a dataset of -- I think it was
5 some -- some scientific text as well as visual
6 imagery from [REDACTED] for a deal that we did
7 with -- to support one of the FAIR projects.

8 I think that was in 2022, late 2022.

9 In early 2023, this is another data
10 point where we looked at and explored licensing many
11 types of data for LLMs. This included everything
12 from fiction book data, scientific textbook data,
13 normal textbook data, images, videos. It was very
14 early days in us exploring what is available in the
15 market and also what our product or engineering team
16 really looked to utilize.

17 Q. Well, let's just keep going with those
18 data points, then. And would the next data point be
19 April 7th, 2023, when there was a decision to stop
20 licensing -- the licensing process for acquiring
21 text data for LLMs -- or, sorry, the pause?

22 ATTORNEY HARTNETT: Object to form.

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1 THE WITNESS: Yeah. So in early April
2 there was a pause on licensing certain categories of
3 data that included the text data -- some of the text
4 data categories.

5 BY ATTORNEY PRITT:

6 Q. And what text categories did that include?

7 A. That included fiction books, nonfiction
8 books, and coding.

9 Q. Any other categories?

10 A. No. Those are the three that we decided
11 to pause on.

12 Q. And what are the data categories that
13 you -- that Meta decided not to pause on in early
14 April 2023?

15 A. While we did not have an explicit
16 discussion or decision to not pause, the data
17 categories that -- the other data categories that we
18 were continuing to explore included images, videos,
19 and 3D objects.

20 Q. And why did Meta decide to pause its
21 licensing process for acquiring fiction books,
22 nonfiction books, and coding data for its LLMs in

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1 early April 2023?

2 ATTORNEY HARTNETT: And I would just
3 object to the extent that you need to respond with
4 attorney-client privilege, please exclude that from
5 your answer. If you can respond without reference
6 to that, you can answer.

7 THE WITNESS: There was a meeting I had
8 with my boss, Marc Shedroff, and our attorney,
9 Natascha Parks, and the content of the meeting is
10 under attorney-client privilege.

11 All I can say is that we considered and
12 discussed a variety of factors and agreed that the
13 decision would be to pause on those three
14 categories.

15 BY ATTORNEY PRITT:

16 Q. Now, were there any business reasons for
17 deciding to pause the licensing process for
18 acquiring fiction books, nonfiction books, and
19 coding data for use in Meta's LLMs, at that time?

20 ATTORNEY HARTNETT: And I would just have
21 the same objection and instruction. You can answer
22 if there's a nonprivileged information you can

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1 provide.

2 THE WITNESS: There's only privileged
3 information in that meeting, and so I'm not able to
4 talk further about that.

5 BY ATTORNEY PRITT:

6 Q. Okay. So to clarify, it's Meta's
7 testimony that there were no business reasons for
8 deciding to pause the licensing process for
9 acquiring fiction books, nonfiction books, and
10 coding data for use in Meta's LLMs in early
11 April 2023; is that correct?

12 ATTORNEY HARTNETT: Objection to the form.
13 Misstates his testimony.

14 I -- if you can answer as to whether there
15 are business reasons that don't entail conveying
16 legal advice, you may answer. If not, I instruct
17 you not to answer.

18 THE WITNESS: The -- although this is not
19 comprehensive, the coding and textbook categories do
20 not -- do not apply to the one, I'll say, business
21 reason.

22 I'd like to point out that the -- in the

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1 fiction category, we quickly learned from the
2 business development team that most of the
3 publishers we were talking to, they themselves were
4 representing that they did not have, actually, the
5 rights to license the data to us. And so it would
6 take a long time to engage with all their authors.

7 BY ATTORNEY PRITT:

8 Q. So was timing and the ability to obtain
9 licenses for the use of fiction books to use as data
10 for Meta's LLMs a business reason for why Meta
11 decided to pause it's licensing efforts for those
12 books in early April 2023?

13 A. It was one of the considerations, yes.

14 Q. Were there any other business
15 considerations for deciding to pause licensing
16 efforts for fiction books to use as data for Meta's
17 LLMs in early April 2023?

18 ATTORNEY HARTNETT: And you could answer
19 to the extent it doesn't reveal attorney-client
20 privileged advice.

21 A. I would say yes in all three of the
22 categories that I've mentioned. Another business

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1 reason is the very slow uptake in engagement and
2 interest from the different content partners that we
3 had reached out to or tried to reach out to, to
4 actually engage in a meaningful conversation.

5 So that was another reason, which has
6 nothing to do with speed. It's just volume and
7 willingness to engage.

8 There were some that we, of course, had
9 good productive conversations with, but it was very
10 few.

11 Q. And which partners that you're referring
12 to were unwilling to engage?

13 A. We -- we send out slew of emails to --
14 slew of companies: [REDACTED] and -- I mean there was a
15 whole list.

16 I don't recall the entire list, but I
17 remember we had made a long list from initially
18 scouring the Internet of top publishers, et cetera,
19 and we didn't get contact and feedback from -- from
20 a lot of our cold call outreaches to try to
21 establish contact.

22 There were a few, like [REDACTED], that did,

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1 you know, engage, but not many.

2 Q. Are you aware of any other licensing
3 efforts where Meta decided to stop pursuing licenses
4 because it didn't get contact and feedback from cold
5 call outreaches?

6 A. You know, when we've done or we attempted
7 to do deals in the past for FAIR, where we've not
8 been able to achieve a deal in the same manner. And
9 so it's -- it does happen.

10 It's not just in this space, but it's work
11 stream by work stream, and it's usually related to a
12 category that -- of companies you're going after.

13 Q. Sorry. I don't understand the answer.

14 Are you aware of any other licensing
15 efforts where Meta decided to stop pursuing licenses
16 because it didn't get contact and feedback from cold
17 outreach?

18 A. I am aware of licensing efforts such, for
19 example, we tried to license 3D worlds from
20 different game engine and game manufacturers for our
21 AI research team. And in the same way that I'm
22 describing here for fiction and textbook data, we

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1 got very little engagement to even have a
2 conversation.

3 Q. And did Meta decide to pause its licensing
4 efforts for 3D worlds?

5 A. Yes. We decided to pause the efforts
6 after that.

7 Q. And did Meta use an alternative source of
8 data rather than licensing it?

9 A. We decided to -- in that case, we decided
10 to build our own solution.

11 Q. And when Meta decided to pause its
12 licensing efforts for nonfiction and fiction books
13 and code, did Meta decide to write its own books and
14 code to use as data for its LLMs?

15 A. I don't know the answer to that.
16 Engineering would know the answer to that.

17 Q. Are there any business reasons other than
18 the two you have listed for why Meta decided to
19 pause its licensing efforts for nonfiction and
20 fiction books and code in early April 2023?

21 A. At this time, I can't think of any.

22 Q. Okay.

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1 of licensing that data for use in its LLMs?

2 A. That's correct.

3 Q. And when we're referring to the April 2023
4 data point, did the engineering and product teams
5 ask the business development team to stop its
6 licensing efforts for fiction and nonfiction books
7 and code for use in Meta's LLMs?

8 A. No. That decision was -- had engineering
9 and products's input, but that was part of the
10 meeting that I'm telling -- that I mentioned that
11 was attorney-client privileged.

12 Q. And what was engineering and products's
13 input?

14 A. I was not aware of what -- they did not
15 provide that input to me. They provided that input
16 directly to Marc Shedroff, my boss.

17 Q. Did he tell you what that input was?

18 A. That is under attorney-client privilege as
19 we had that discussion there.

20 Q. Is Marc Shedroff a lawyer?

21 A. No.

22 Q. Okay. So I'm going to ask again. What

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1 did Marc Shedroff tell you was engineering and
2 product -- the engineering and product teams's
3 input?

4 ATTORNEY HARTNETT: And I would just ask
5 the witness, to the extent that Mr. Shedroff learned
6 that in a meeting with the engineering team and
7 counsel, and the extent that there was
8 attorney-client privilege involved in how
9 Mr. Shedroff conveyed that to you, you can exclude
10 that from your answer.

11 If you know information that Mr. Shedroff
12 had from the engineering team that is not covered by
13 attorney-client privilege, you can answer with that.

14 THE WITNESS: My understanding was that
15 Mr. Shedroff was in a meeting with -- with attorneys
16 and asking for their advice and also with -- with
17 attorney-client privilege.

18 BY ATTORNEY PRITT:

19 Q. So is your testimony that the input that
20 Mr. Shedroff received from the engineering and
21 product teams related to the April 2023 decision to
22 pause licensing, there was -- that input was legal

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1 advice?

2 ATTORNEY HARTNETT: Objection to the form.

3 I think it misstates his testimony.

4 To the extent he's in a -- he's conveying
5 information that he learned from his boss that was
6 part of a privileged conversation between his boss,
7 counsel, and the engineers.

8 Our position is that he has to figure out
9 whether or not he is conveying information that
10 Mr. Shedroff learned from the engineers separate
11 from the legal advice that was being given in that
12 meeting.

13 So I'm asking him to try and separate that
14 and convey anything that was not infused with legal
15 advice. And you can answer.

16 THE WITNESS: The meetings that Mark had
17 was -- with engineers was infused with legal advice.
18 And when we -- Mark and myself and Natasha were
19 discussing all the pros and cons, we -- and all the
20 facets before we made the decision that was also
21 with discussing both the, as we talked about, the
22 business and the legal aspects of a decision before

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1 we decided to pause.

2 BY ATTORNEY PRITT:

3 Q. Okay. So I just want to get clear on the
4 record. Your understanding is that the engineering
5 and product teams input into the decision whether or
6 not to pause licensing efforts in April 2023 that
7 we've discussed, all of that involved legal advice?

8 ATTORNEY HARTNETT: Objection to the form.

9 You should testify only based on what you
10 know, but you should testify on what you know.

11 BY ATTORNEY PRITT:

12 Q. Correct. I asked for your understanding.

13 A. Sorry?

14 Q. I asked for your understanding.

15 A. Yeah. My understanding is that when Marc
16 had the discussion with engineering and product,
17 that also included legal and legal advice, yes.

18 Q. Okay. But you're also testifying on
19 behalf of Meta at this time; so it Meta's position
20 that the input provided by the product and
21 engineering teams into the decision to pause
22 licensing efforts in April 2023 is completely

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1 covered by the attorney-client privilege?

2 A. Yes.

3 Q. Okay.

4 ATTORNEY HARTNETT: I would just say
5 for -- this is with respect to his topic, by the
6 way, which is topic number 8.

7 ATTORNEY PRITT: Mm-hmm.

8 ATTORNEY HARTNETT: So his topic is not --
9 anyways, I think we stand by what he just said, but
10 he's talking about it from his perspective as the
11 person that was receiving information from his boss
12 and making decision about the licensing efforts.

13 ATTORNEY PRITT: As Meta's corporate
14 representative for topic 8 as we have described it
15 in today's deposition.

16 ATTORNEY HARTNETT: Correct.

17 ATTORNEY PRITT: Thanks.

18 Okay.

19 BY ATTORNEY PRITT:

20 Q. In connection with the licensing process
21 that you've described, did Meta discuss the types of
22 data that it wanted to obtain for use with its LLMs?

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1 CERTIFICATE OF SHORTHAND REPORTER

2

3 I, Michael P. Hensley, Registered Diplomate

4 Reporter for the State of California, CSR No. 14114,

5 the officer before whom the foregoing deposition was

6 taken, do hereby certify that the foregoing

7 transcript is a true and correct record of the

8 testimony given; that said testimony was taken by me

9 stenographically and thereafter reduced to

10 typewriting under my direction; that reading and

11 signing was not requested; and that I am neither

12 counsel for, related to, nor employed by any of the

13 parties to this case and have no interest, financial

14 or otherwise, in its outcome.

15

16

17

18

19 _____
Michael P. Hensley, CSR, RDR

20

21

22